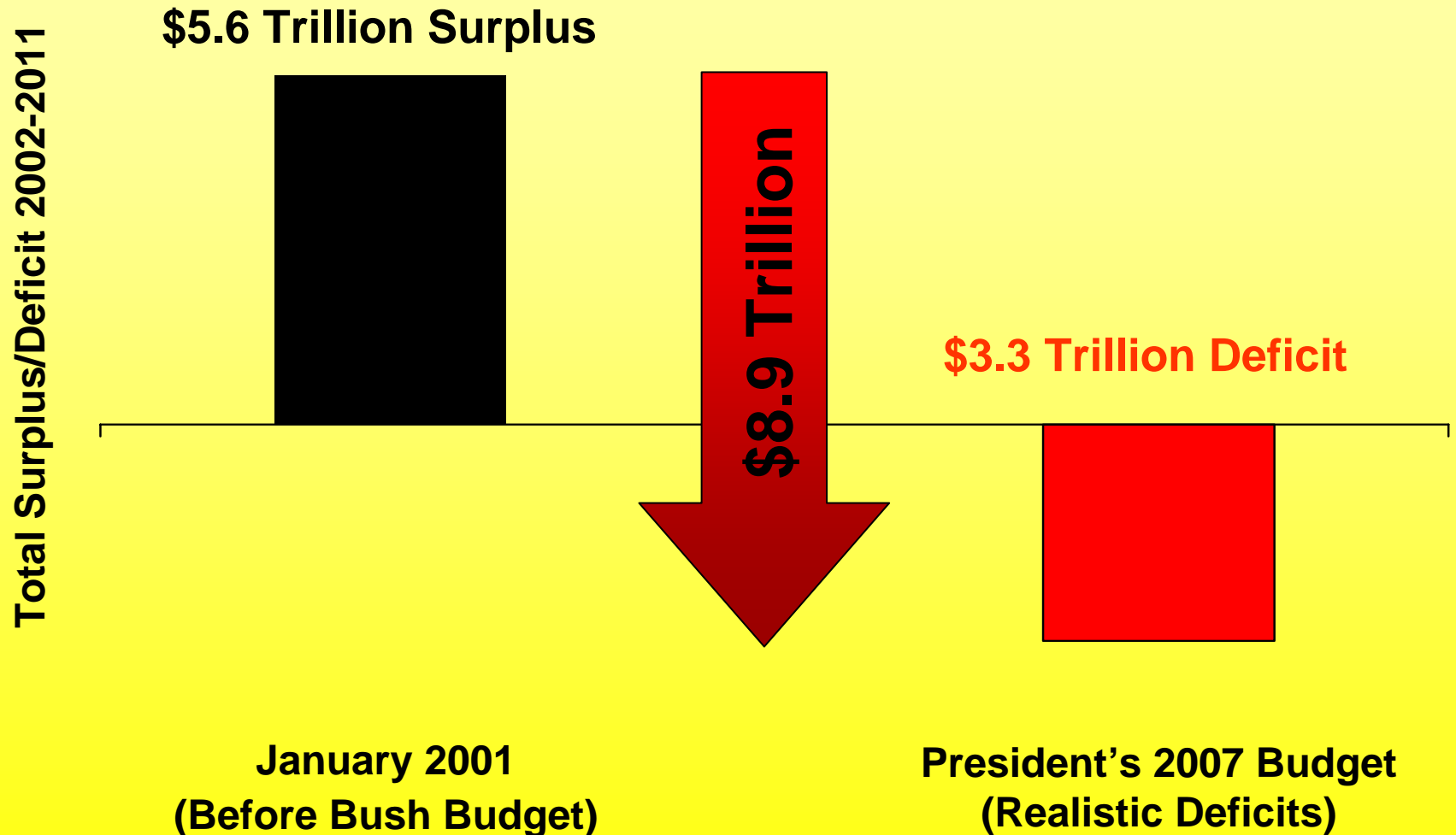


# Another Record Deficit

*The Last Four Years, The Four Largest Deficits in History*

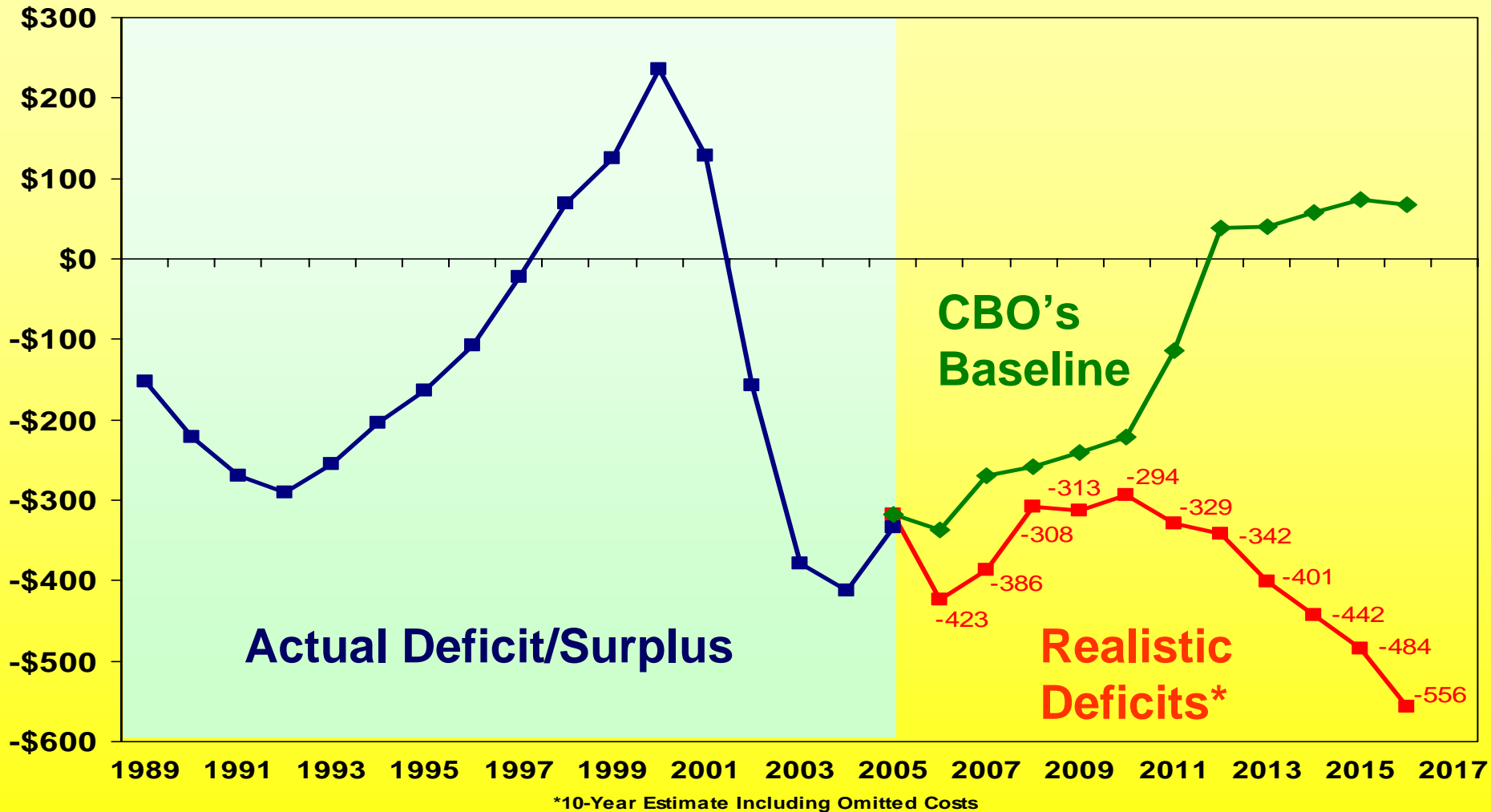
<u>Rank</u>	<u>Year</u>	<u>Deficit</u>
1 <sup>st</sup>	2006	-\$423 Billion
2 <sup>nd</sup>	2004	-\$412 Billion
3 <sup>rd</sup>	2003	-\$378 Billion
4 <sup>th</sup>	2005	-\$318 Billion

# Surplus Declines \$8.9 Trillion Under Republican Policies



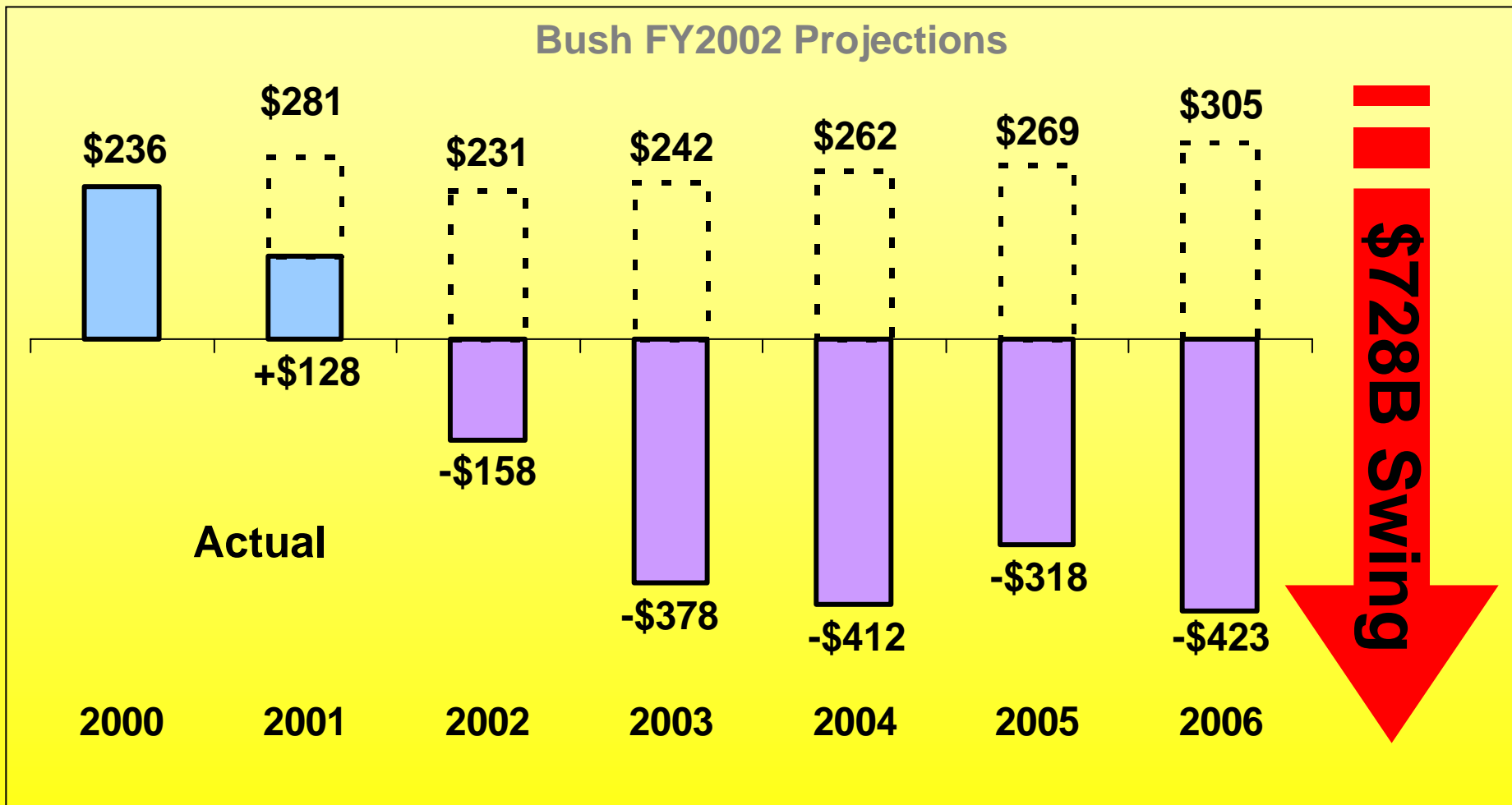
# Realistic Estimate Shows Bleak Deficit Outlook

*Deficits in Billions of Dollars*



# Projected Surpluses Become Huge Deficits

*Actual and Predicted Budget Surpluses and Deficits in Billions*



# **The President's Budget Makes the Deficit \$413 Billion Worse**

Tax Policies	285 Billion
Defense Supplemental	89 Billion
Social Security Reform	82 Billion
Defense Appropriations Increase	74 Billion
Hurricane Supplemental	12 Billion
Non-Defense Appropriations Cuts	-115 Billion
Mandatory Program Cuts	-66 Billion
Debt Service	52 Billion

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**Total Effect on the Deficit,  
2007-2011**

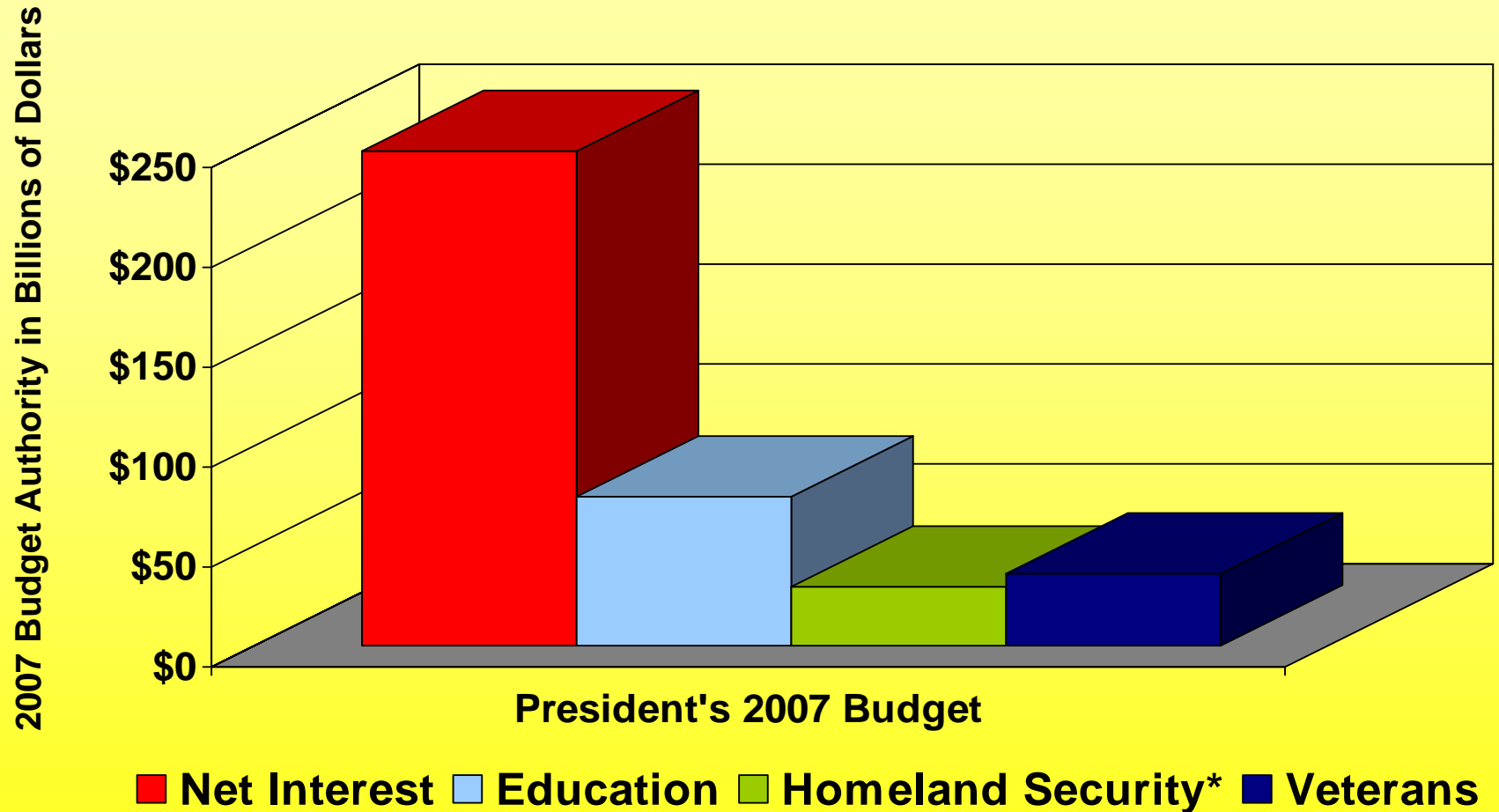
**\$413 Billion**

# Republicans Increase the Debt Limit by **\$3 Trillion**

*Debt Limit Increases, Billions of Dollars*

June 2002	<b>\$450</b>
May 2003	<b>\$984</b>
November 2004	<b>\$800</b>
Pending Increase	<b>\$781</b>
Total Increases	<b>\$3,015</b>

# Interest Payments on Debt Dwarf Other Priorities



\*domestic discretionary funding

# President's Tax Agenda Costs \$3 Trillion

## Revenue Effects Only

Cost: \$1,667 Billion

Interest: \$276.3 Billion

## Outlay Effects

Cost: \$74.1 Billion

Interest: \$10.6 Billion

## AMT Repair (Minus President's 1-Year Patch)

Cost: \$843.8 Billion

Interest: \$166.1 Billion

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## Revenue Effects, Outlay Effects & AMT Repair

Total Cost: \$2,585 Billion

Total Interest: \$453 Billion

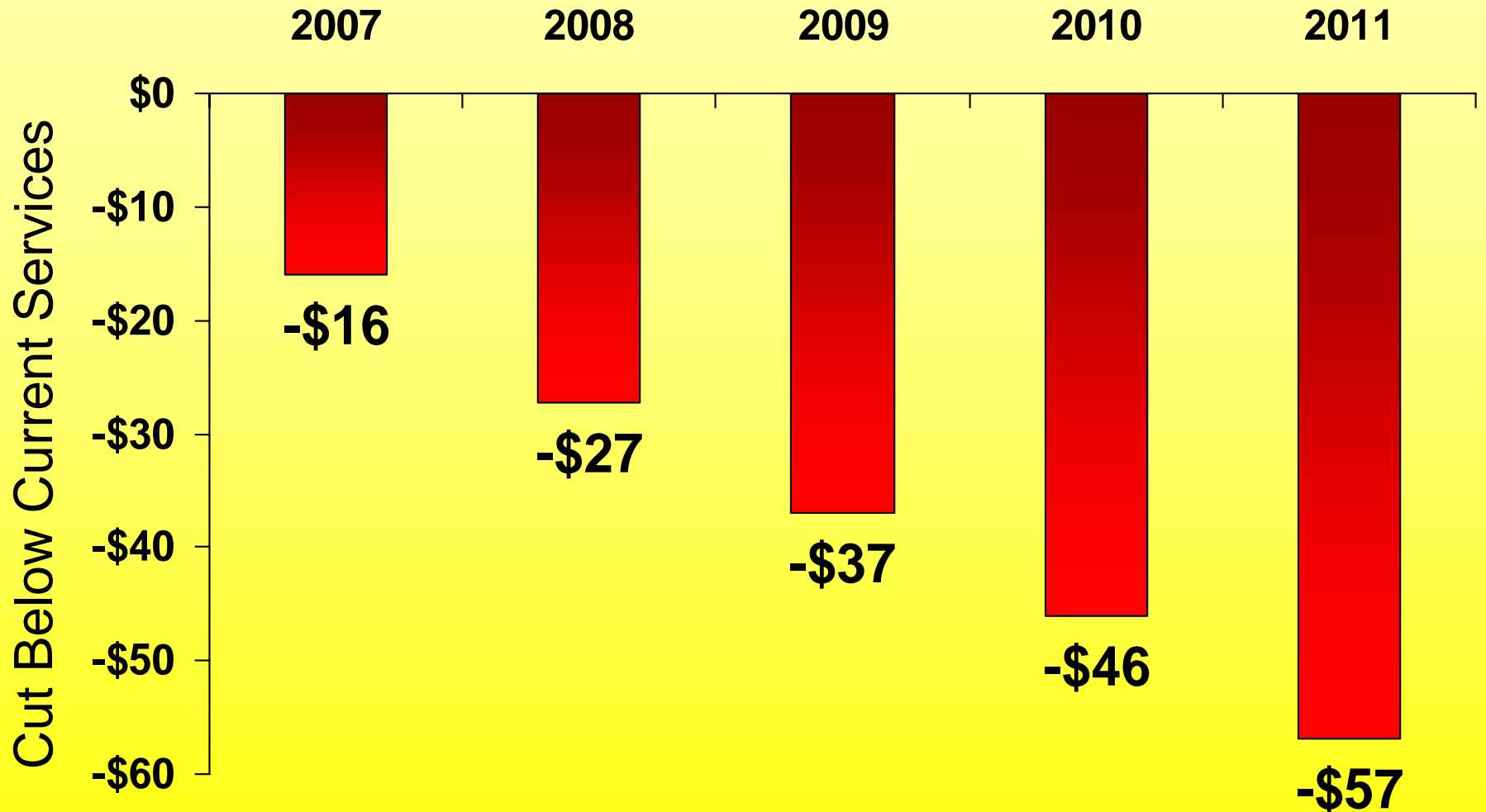
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## Total Deficit (2006-2016):

**\$3.038 Trillion**

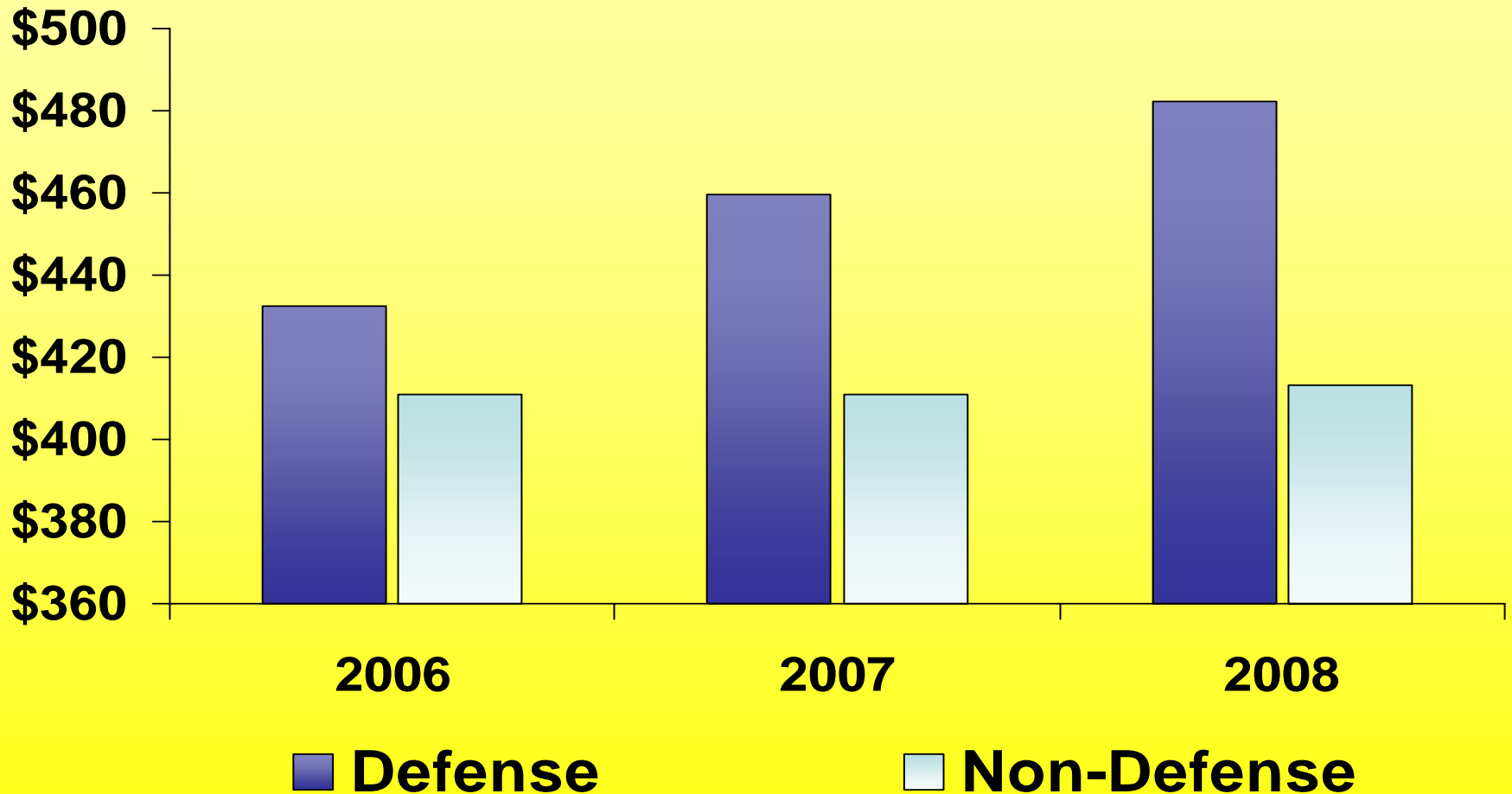
# President's Budget Cuts Domestic Purchasing Power By \$183 Billion Over Five Years

*Discretionary Non-Defense, Non-International Budget Authority in Billions of Dollars*



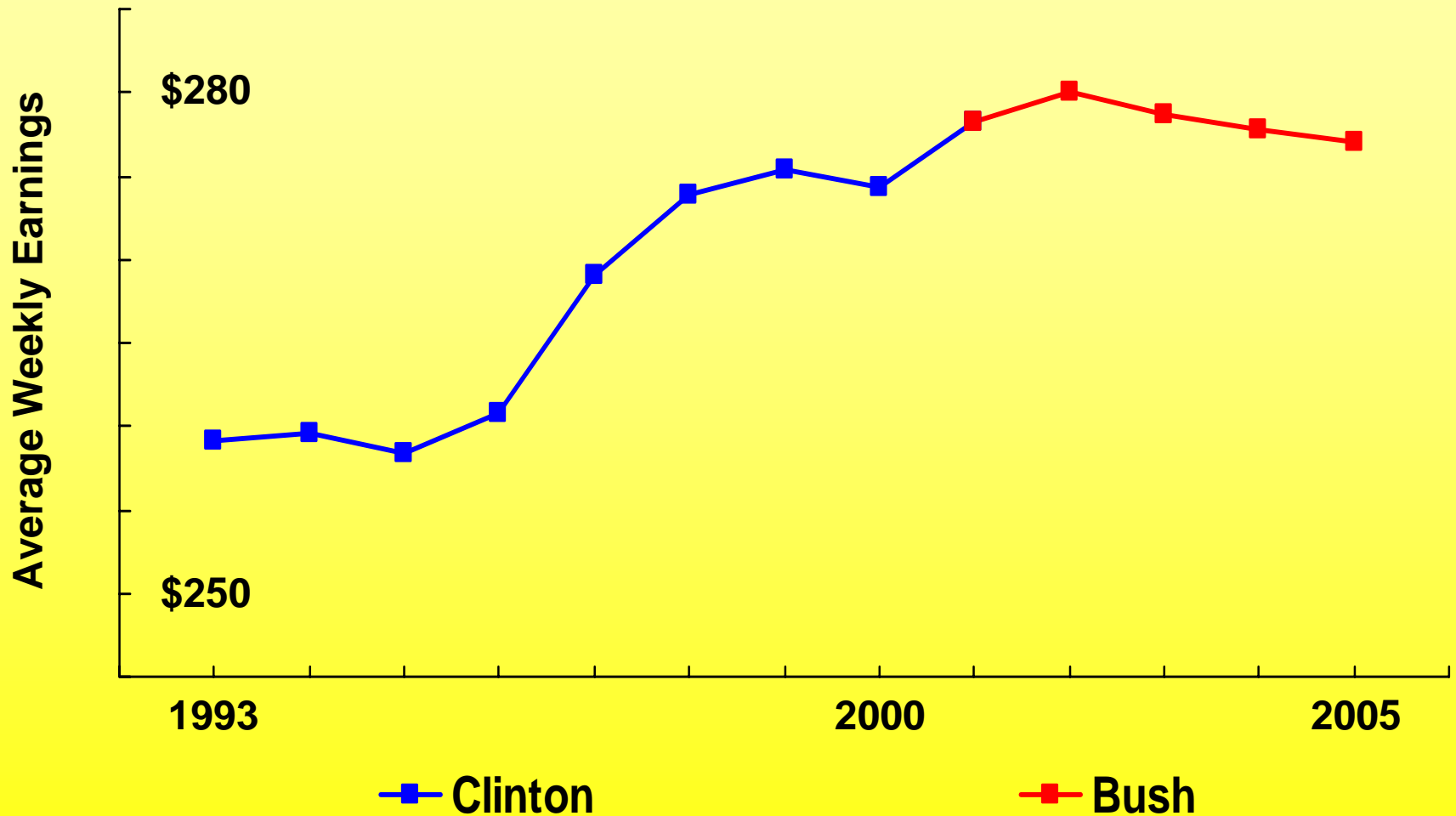
# Budget Caps For Defense and Non-Defense Appropriations

*Appropriations Limits in Billions of Dollars*



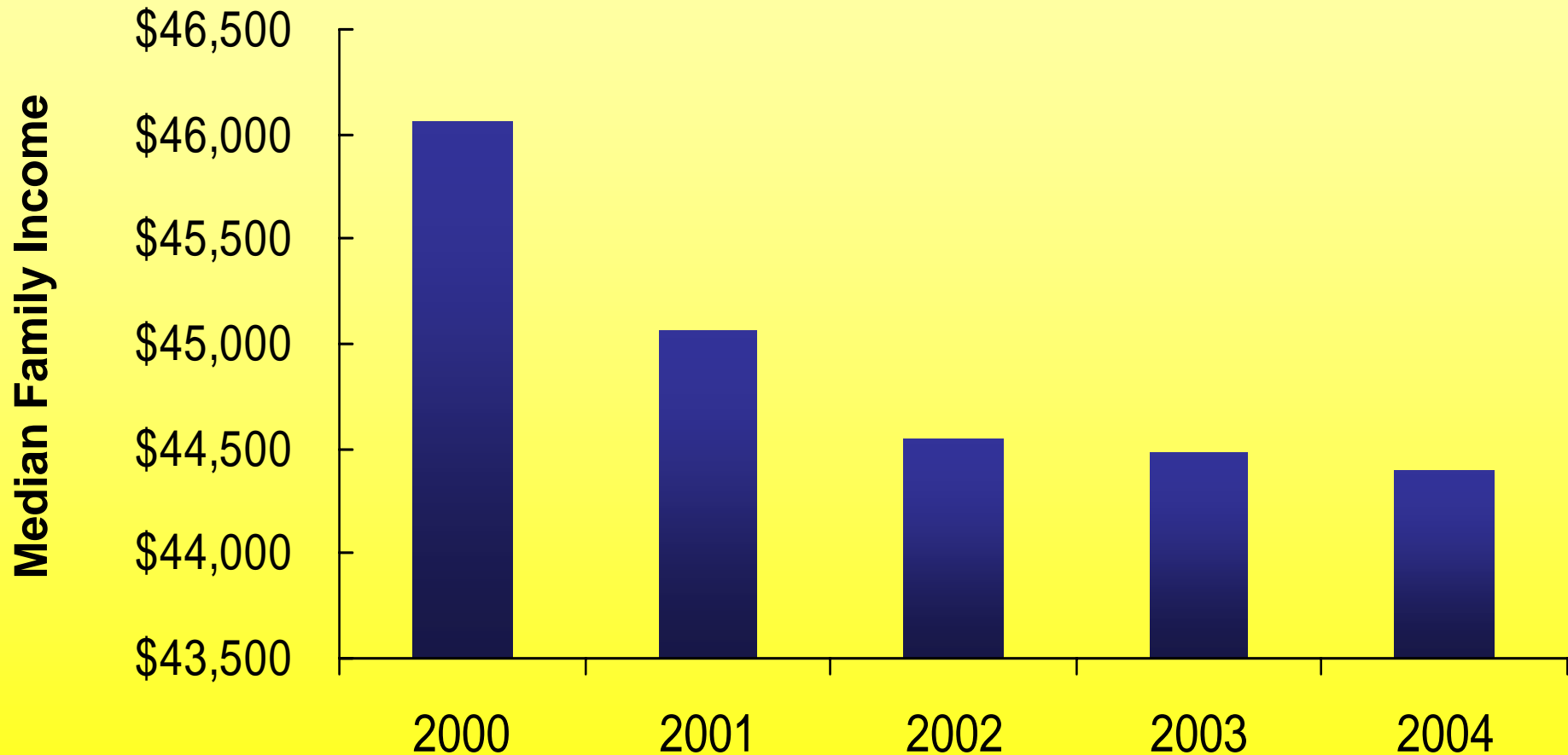
# Wage Growth Under Clinton Far Exceeds Wage Growth Under Bush

*(Inflation-Adjusted Average Weekly Earnings)*

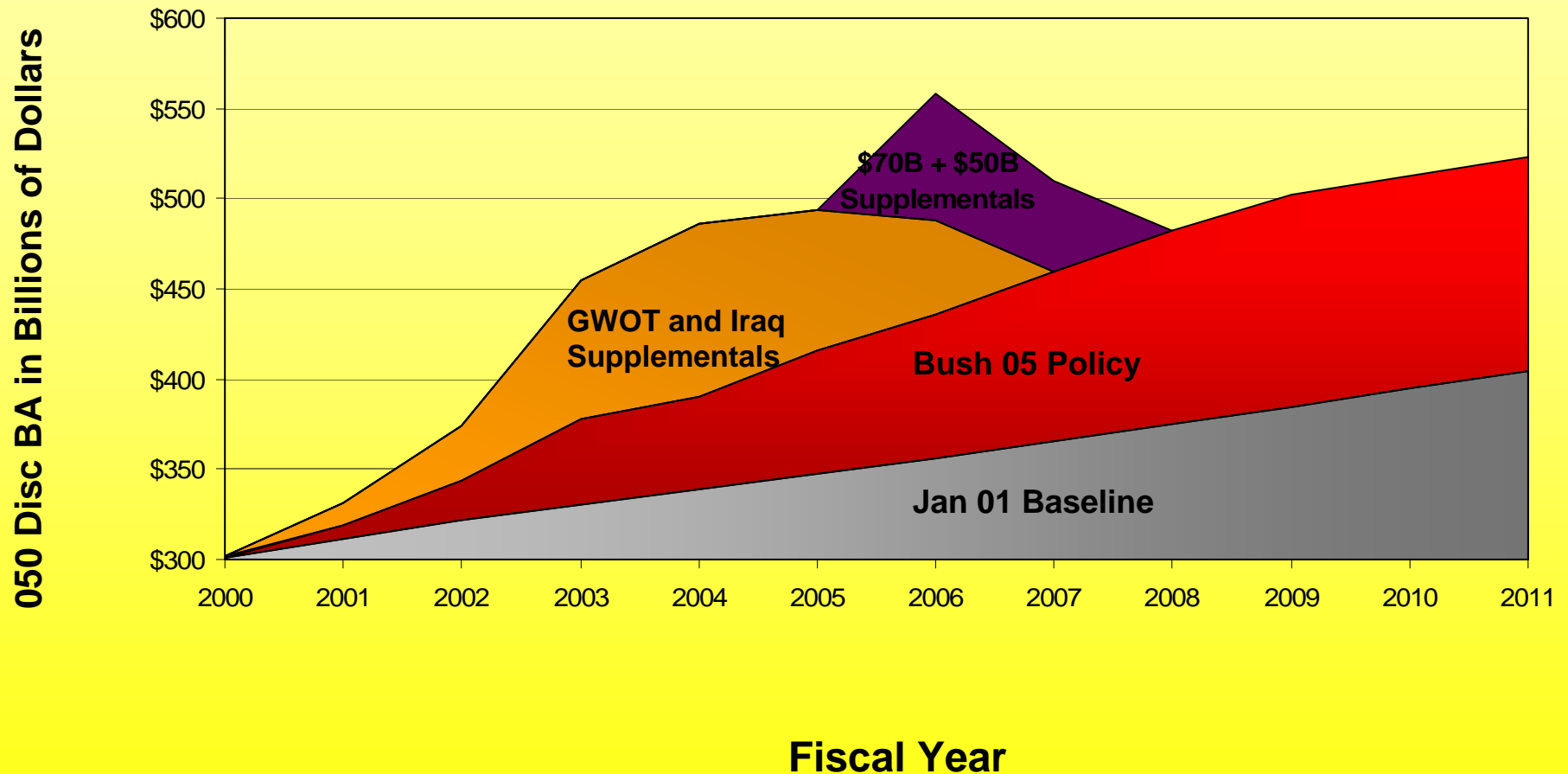


# Typical Family Income Decreases Every Year Under Bush

*(Inflation-Adjusted Median Family Income)*

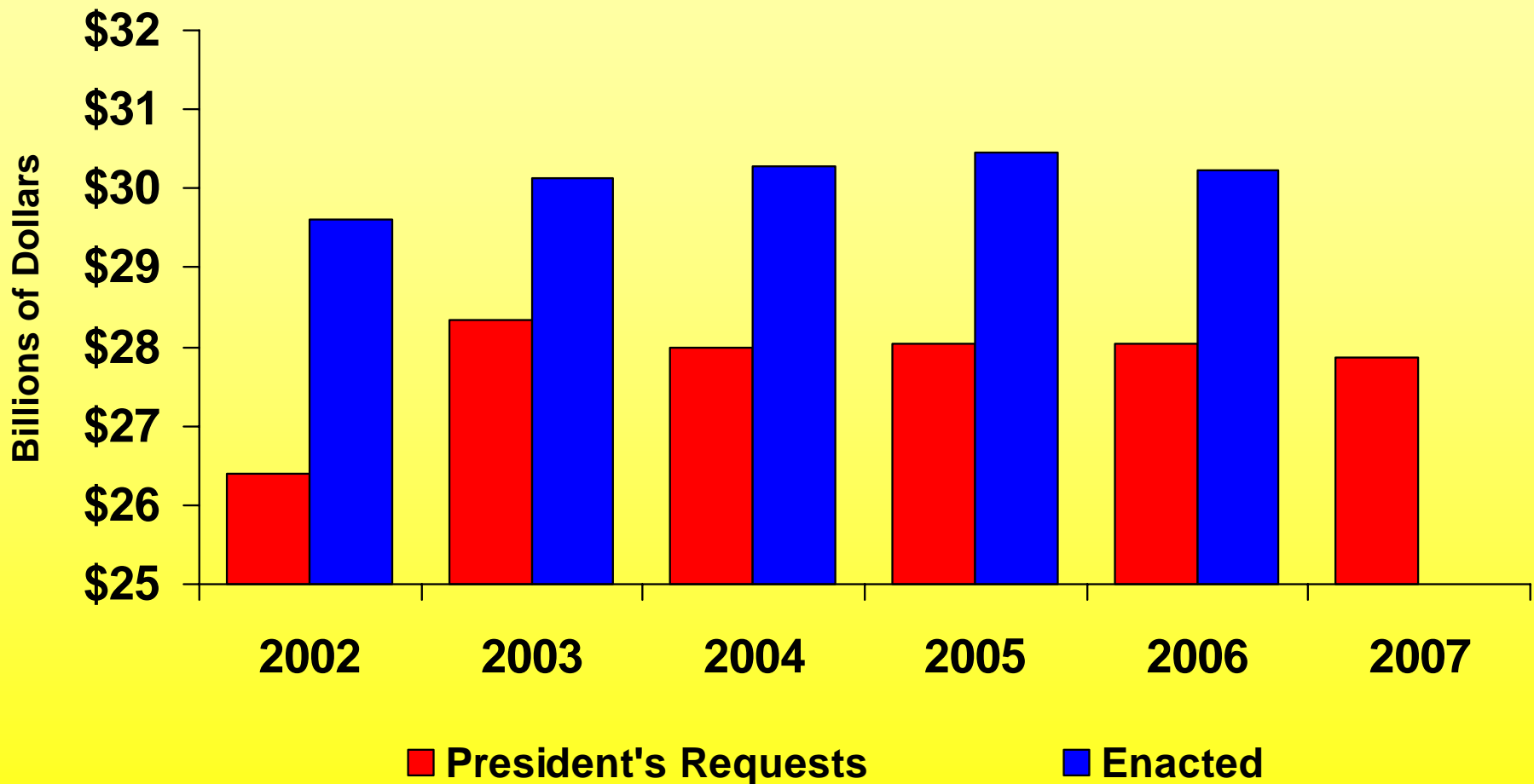


# Increased Cost of Defense Under Bush Administration



# President's Budget Undermines Environmental Protection

*Function 300 Discretionary*



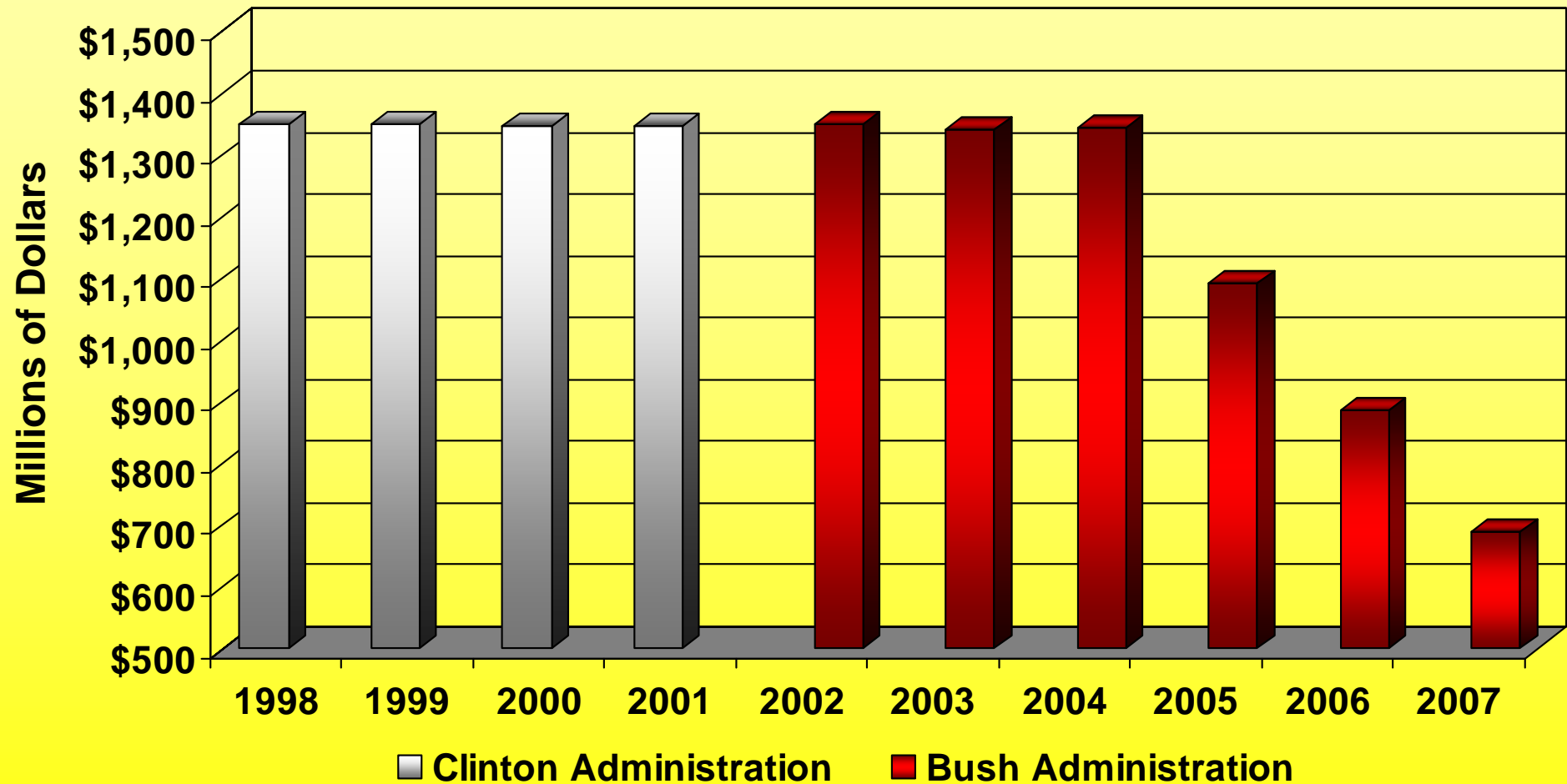
■ President's Requests

■ Enacted

# Bush Budget Cuts

## Clean Water Infrastructure Funding

*State Revolving Fund*

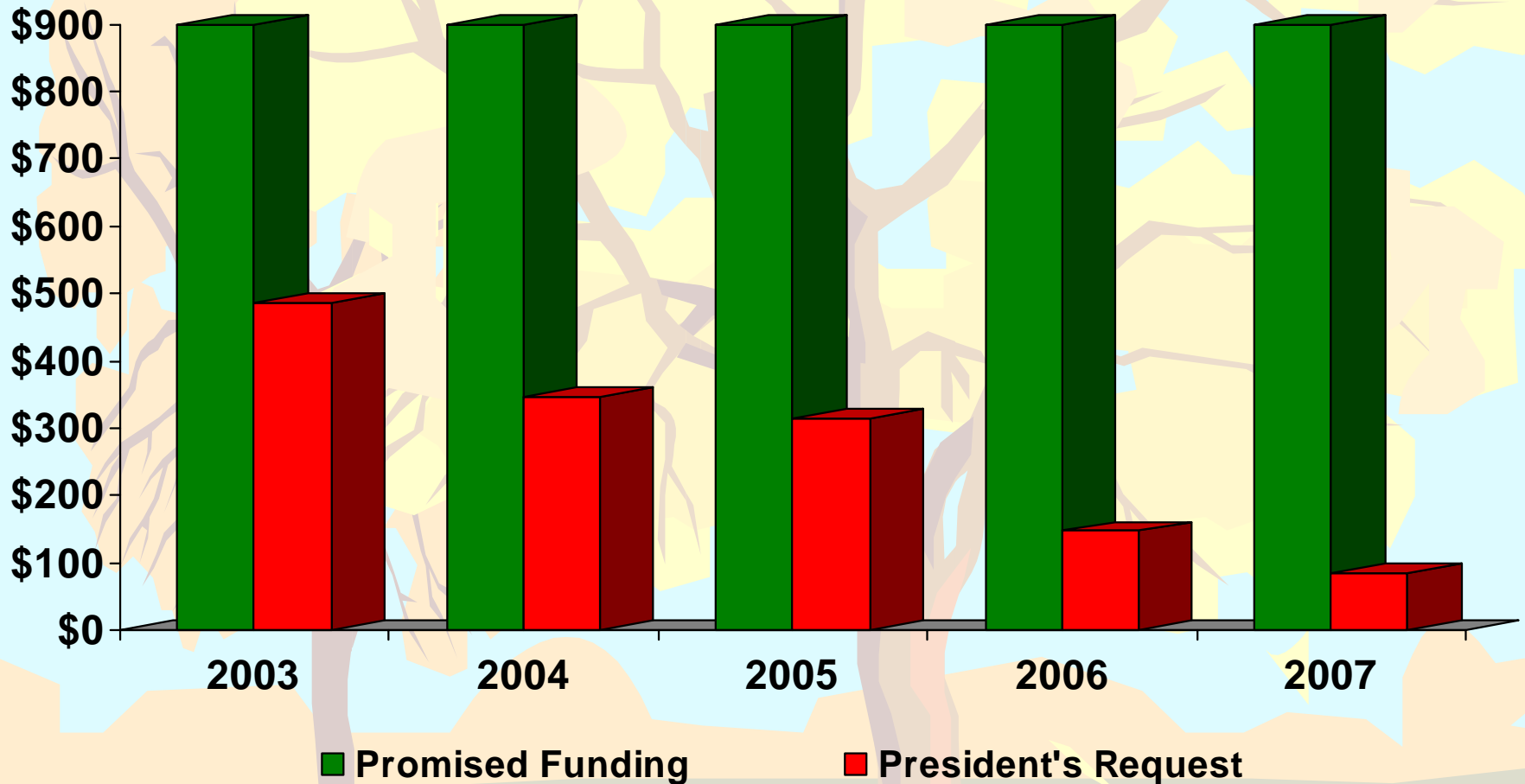


■ Clinton Administration ■ Bush Administration

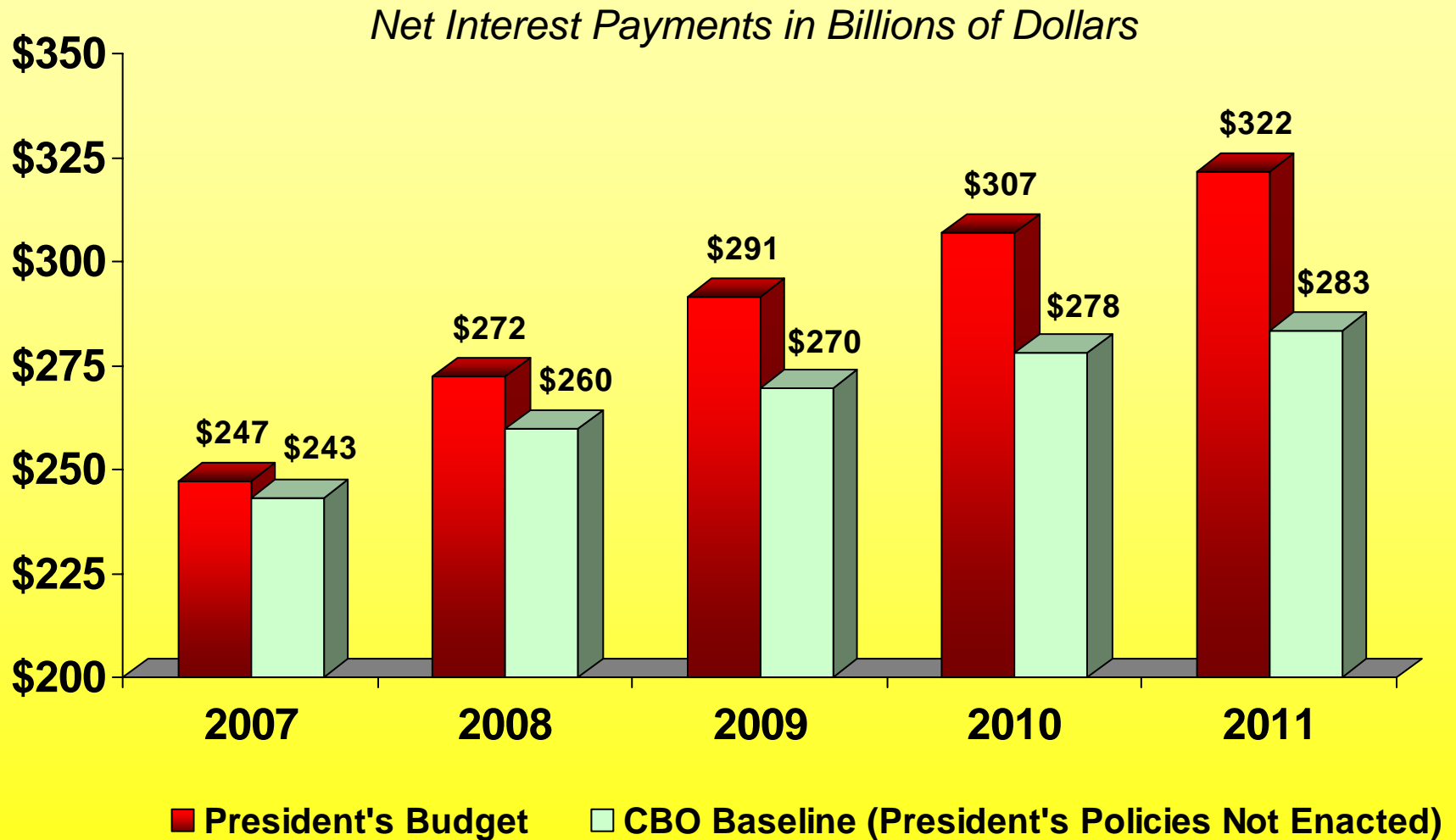
# President's Environmental Priorities

- Environment funding CUT by nearly 8 percent.
- Clean water infrastructure programs CUT by about 22 percent and nearly 50 percent since 2004.
- Environmental Justice funds cut by 28 percent.
- Farm conservation programs CUT by over \$450 million.
- **FAILS** to address water supply contamination from leaking petroleum and MTBE.
- **FAILS** to protect wildlife, conservation, recreation, and preservation needs.
- **FAILS** to hold corporate polluters accountable - **TAXPAYERS** foot the entire bill.

# Bush's Broken Promise to Fully Fund Land and Water Conservation Fund



# President's Policies Increase Net Interest Payments By \$106 Billion



## The President's 2007 Budget

Billions of Dollars

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u> <u>2007-2016</u>	<u>Total</u> <u>2012-2016</u>
CBO Baseline	-337	-270	-259	-241	-222	-114	38	40	57	73	67	-832	
Remove Repeating Supplemental	0	43	67	85	95	104	111	119	126	134	143	1026	
CBO Baseline w/o repeating supp	-337	-227	-192	-157	-127	-10	148	158	184	207	209	194	
<b>The President's Budget</b>	<b>-423</b>	<b>-354</b>	<b>-223</b>	<b>-208</b>	<b>-183</b>	<b>-205</b>							
<b>Omitted Items and the Second Five Years</b>													
Tax Policies*							-265	-280	-292	-303	-315		-1456
Entitlement Programs							19	20	21	25	26		110
Defense Appropriations							-35	-35	-36	-37	-38		-182
Non-Defense Appropriations							44	46	48	49	50		238
Social Security Reform							-96	-115	-127	-140	-153		-631
Reconciliation Spending Cuts							14	13	11	11	11		60
Repair AMT**		-22	-45	-55	-66	-77	-88	-101	-114	-130	-147	-844	
Ongoing Military Operations**		-9	-37	-43	-33	-29	-29	-29	-29	-30	-30	-298	
Subtotal of Omitted Items		-31	-81	-98	-99	-106	-436	-481	-520	-555	-596	-3002	
Debt Service		-1	-3	-8	-13	-18	-55	-79	-106	-136	-170	-589	
Total Changes		-31	-85	-106	-112	-124	-491	-560	-626	-692	-766	-3591	
<b>Resulting Deficits</b>	<b>-423</b>	<b>-386</b>	<b>-308</b>	<b>-313</b>	<b>-294</b>	<b>-329</b>	<b>-342</b>	<b>-401</b>	<b>-442</b>	<b>-484</b>	<b>-556</b>	<b>-3857</b>	

\* Includes outlay effects

\*\* CBO estimates of policy reduced by amounts included in the President's Budget

negative items make deficits worse

Debt Service costs based on CBO's January estimates

Baseline estimates assume tax cuts expire as written in law and 2006 emergency supplemental funding repeats every year and grows with inflation